TAX INCREMENT FINANCING (TIF) STUDY COMMISSION

DATE: April 12, 2012

CALLED TO ORDER: 6:02 p.m.

ADJOURNED: 9:35 p.m.

ATTENDANCE

ATTENDING MEMBERS
Steve Talley, Chairman
Billie Breaux
William Crawford
Deron Kintner
Brian Mahern
Ed Mahern
Jeff Spalding

ABSENT MEMBERS
Ryan Vaughn

AGENDA

TIFs in Other States
Alternative and Complementary Development Tools
Selected Projects and Expenses in Marion County TIF Districts – Part 1

TAX INCREMENT FINANCING (TIF) STUDY COMMISSION

The Tax Increment Financing (TIF) Study Commission of the City-County Council met on Thursday, April 12, 2012. Chairman Steve Talley called the meeting to order at 6:02 p.m. with the following members present: Billie Breaux, William Crawford, Deron Kintner, Brian Mahern, Ed Mahern and Jeff Spalding. Absent was Ryan Vaughn.

Chair Talley asked the Commission members to introduce themselves and indicate which office or position they represent.

Brooke Thomas, Planner, Department of Metropolitan Development (DMD), showed a map of comparison cities to Indianapolis. She said that nearly every state has enabling legislation empowering their municipalities, counties or other special taxing districts the ability to use TIFs. Ms. Thomas said that TIFs took hold in the Midwest in the 80's and 90's with Milwaukee, Wisconsin being the quickest to get started in 1975. Charlotte, North Carolina uses a Synthetic Tax Increment Grant rather than Tax Increment Financing. It is not a traditional TIF tool, and that city does not issue debt or back debt. Ms. Thomas said that some cities consider a developer entitlement, where if everything is in order, the city is guaranteed to use different tools.

Councillor Mahern asked if any of the communities studied are contemplating or have done what this Commission is trying to study. Ms. Thomas said that Indianapolis is on their own with the study, but the different cities are genuinely intrigued with what Indianapolis is doing.

Bruce Donaldson, Attorney, Barnes and Thornburg, read through a Powerpoint presentation in detail, which is attached as Exhibit A.

- Alternative and Complementary Development Tools
  - Economic Revenue Bonds
    - City issues bonds and loan proceeds to private party
    - Bonds are payable solely from repayment of loan
    - City has no liability
    - Interest on bonds is exempt from federal income tax
    - Federal restrictions on projects
    - Does not provide any credit enhancement or equity
  - Midwestern Disaster Area Bonds
    - Special category of tax-exempt bonds available until the end of 2012 in certain Indiana counties
    - State must approve allocation of tax-exempt bond capacity for project
    - Similar advantages and limitations as for tax-exempt economic bonds

- Property Tax Abatement
  - Relieves recipient from paying all or a portion of its property taxes for a prescribed period of time
  - Real property: new buildings and improvements to existing buildings
  - Personal property: new equipment, logistical distribution, information technology or research and development purposes
  - Designating body may specify between one and ten years
  - MDC adopts declaratory resolution
  - Notice of public hearing published
  - Applicant submits statement of benefits to MDC
  - Abatement may be terminated for non-compliance
- Certified Technology Parks (CTP)
  - Allows the capture of new, incremental state and local income taxes and state sales taxes generated in the CTP up to $5 million over the life of the CTP.
  - Must have support from a higher education institution.
  - CTP funds must be used for public facilities.
  - Incremental sales and income taxes are deposited into a CTP fund and used to:
    - acquire, repair or maintain public facilities
    - pay operating expenses for business incubator
    - pay debt service on bonds
    - reimburse the City for expenditures made
- Other General Municipal Financing Tools
  - General Obligation Bonds
    - Can issue these bonds
    - Tax the whole City and use proceeds for an infrastructure project
    - Subject to petitioner, remonstrator or referendum process which can be lengthy
    - Increase the tax rate to a debt service levy

Loren Matthes, Principal, Umbaugh and Associates, read through a Powerpoint presentation in detail, which is attached as Exhibit B.

- Property tax cap limits taxes paid by taxpayers
- Decline in state income tax collections
- Increasing costs
- Cut costs and improve operational efficiencies
- Grow property and income tax base
- Leverage private investment
- Encourage new business investment

- Encourage job creation and retention
- Local incentives and funding sources
    - TIF
    - Tax Abatement
    - LOIT (Local Option Income Tax)
    - Property taxes: Cumulative Capital funds
    - Food and Beverage, innkeepers, wheel and surtax
- Tax Abatement
    - Reduces a company's tax liability on new improvements, buildings and equipment
    - Reduces company's operating expenses
    - Delays property taxes to local government
    - Does not provide "up-front" capital incentive
- Community Revitalization Enhancement Districts (CREDS)
    - 15-year District limit
    - Capture up to $750,000 annual incremental employee income and retail sales tax
    - State IEDC approval

Deron Kintner, Director, Indianapolis Bond Bank, asked if Mr. Donaldson knows how much of an allocation Indiana received in 2009, and how much is remaining for the Midwestern Disaster Area Bonds. Mr. Donaldson said that the state has received sums in the billions, and they have not used anywhere near that amount.

Jeff Spalding, City Controller, Office of Finance and Management (OFM), asked if it is the City's discretion to be able to provide a type of financing or if there is involvement from the state on the economic development bonds. Mr. Donaldson said that with every type of economic development bond, except for 501 (c) (3) bonds, there is also volume that has to be allocated by the state. The state has a certain amount of capacity given every year for each type of category.

Councillor Mahern stated that the Midwestern Disaster Area Bonds can be used for any project as long as jobs are created. He said that those bonds could also go to find where there is an acute impact from the disaster, as opposed to finding projects that are already happening and having a pot of money to be used. Mr. Donaldson said that it is not a pot of money. It is an ability to do a tax-exempt bond, in a targeted area that has been impacted. If a private sector entity is willing to invest and issue this type of bond, the state would be happy to award the volume for that.

Billie Breaux, Marion County Auditor, stated that several years ago there was a tornado on the northeast side of Indianapolis, and to this day, it has not been rebuilt. She asked if that project would have fallen along with the Midwestern Disaster Area Bonds if someone would have applied for it. Mr. Donaldson said that if a county was identified and a project was created, there probably could have been the ability to do those kinds of bonds. Auditor Breaux asked if it would be possible for the city to make an application to look into it. Mr. Donaldson said that it really is not the city's application but whether a private sector entity would want to do one of these borrowings.

William Crawford, State Representative, asked if Mr. Donaldson was aware of any entity that has taken advantage of the 100% tax abatement for ten years. Mr. Donaldson said that he is not aware of any.

Councillor Mahern said that this City has not done the same standardized method of promising jobs and investment and then following up to make sure it is there. Mr. Donaldson says that he cannot speak to every TIF that has been done. There are project agreements and consequences associated with the projects. Mr. Kintner said that with every deal, whether it is a TIF or abatement, there is an agreement that sets out the commitments that are to be met. The Bond Bank stays on top of monitoring those commitments, just like the abatements, and generally, those are compliant. Councillor Mahern said that there has been discussion regarding the periodic reporting and that it is not rigorous as it should be or will be in the future. He asked how the Bond Bank stays on top of those agreements. Mr. Kintner said that for every deal that has TIF financing with a private entity, annual reports are filed and are normally audited per their agreement.

Rep. Crawford asked what the fundamental reason is for this City creating economic development for a County where there are no jobs created or where a person that does not reside in the County does not pay property taxes, County Option Income Tax (COIT) or Local Option Income Tax (LOIT), He asked how the taxpayers of Marion County benefit. Mr. Donaldson said that those questions are all policy questions, but economic development initiatives often are very job focused. Legally, the statutes allow for redevelopment efforts to also remedy blighted conditions and blighted neighborhoods. Mr. Kintner said that there is a faulty presumption that with these projects, no one lives in Marion County or the property taxes are abated 100% for infinity. He said that he agrees that some people do not live in the County, and he would like that person to pay income tax in the County where they work, but he does not have any control over that issue.

Ed Mahern, Metropolitan Development Commission Chair, asked if the TIFs were reviewed annually. Mr. Kintner said that the projects are reviewed, not the TIFs. He added that he may have mis-spoken. Mr. Mahern asked if they are reviewed by the Bond Bank and if there is any other review outside of the Bond Bank. Mr. Kintner said that if there are bonds, then yes; but he cannot speak to whether or not there are any other reviews.

Rep. Crawford asked how many CTPs there are in Marion County. Mr. Donaldson said that there are three CTPs, with one having two sites. Rep. Crawford asked for information on them in writing.

Rep. Crawford stated that one of the slides on Mr. Donaldson's presentation stated that the Indiana Economic Development Corporation (IEDC) will review the CTPs to make sure they are meeting statutory requirements. He said that if the CTP meets the statutory requirements, it would be approved. He asked if IEDC has the flexibility to deny the request for a CTP if it meets all of the requirements. Mr. Donaldson said that the IEDC has discretion on that. He said that they may give a CTP mark if they find that the requirements have been met.

Rep. Crawford asked if there was a tool called Municipal Bonds. Mr. Donaldson said that municipal bonds is just a broad term that would encompass general obligation bonds, utility revenue bonds or TIF bonds that are issued by a governmental entity for projects.

Councillor Mahern asked why it is that the City cannot take their revenue sources that are being used and spend dollar for dollar on infrastructure. Mr. Kintner stated that all general obligation debt is subject to a two percent limit, meaning the City cannot have general obligation debt that is higher than two percent of the Assessed Valuation (AV) of the property.

Councillor Mahern asked what the purpose of acquiring debt is if not for improving long-term assets like infrastructure. Ms. Matthes said that is the purpose, and many projects have been financed by general obligation bonds over time. She said that it is a challenge with the circuit breaker caps and sensitivity to increased property taxes.

Mr. Mahern asked if Umbaugh and Associates just represents on issues with governmental entities or if the company represents businesses. Ms. Matthes said that they generally represent local governments. Mr. Mahern asked how familiar Ms. Matthes is with South Bend, Indiana TIF districts. Ms. Matthes said that she was involved with them in the early 1980s, but has not been involved with them subsequently. She said that South Bend has increased and consolidated some TIFs. Mr. Mahern asked if some TIFs in South Bend, in the early years did not do so well. Ms. Matthes said that the early years were done well.

Rep. Crawford said that he believes that a non-resident of Marion County cannot be taxed. He asked if there are any instances where that can be done. Ms. Matthes answered in the negative.

Councillor Mahern asked to what degree Ms. Matthes has seen other communities running surplus TIF balances well beyond what is needed for the current debt obligations or the anticipated original purpose of that TIF. Ms. Matthes said that most TIFs have balances, and it varies due to the type of the community and how much development they have. Most have their debt service covered, extra coverage and some have plans because of ongoing projects.

Councillor Mahern asked Ms. Matthes to expand on how to approach looking at using excess funds, whether it is spent on additional projects, borrowing, pay them through or pay down the debt. Ms. Matthes gave an example of the Town of Plainfield TIFs. She said that Plainfield passed through $100 million of AV surplus in one of their TIF areas. They gave up about $2 million of TIF per year, and the other taxing units gained about $400,000. Councillor Mahern asked about paying down the debt and getting to a point where the TIF is retired. He asked if what has been accumulated could then come back to the general tax base. Ms. Matthes said that was an option as well. She said that one reason an area might be kept dormant and pass-through the TIF if it is not needed is because of a project or big expansion that came along where they wanted to use those funds. In that instance, it can be kept in place.

Mr. Mahern asked if Ms. Matthes knows of any situations where there are excess fundsin a TIF, and in order to spend those funds, it would have to come back to the fiscal body to make those expenditures. Ms. Matthes said that all bond issues have to go back to the fiscal body if it is being done with a TIF or lease. Mr. Mahern stated that if there were excess funds in the TIF and the decision is made to spend some of that money on areas outside the TIF, should there be some type of fiscal body approval for those expenditures. Ms. Matthes said that information would have to be in the plan from the beginning. She said that the plan would have to be amended and go before the full Council and the Commission.

Mr. Kintner made the following presentation:

- Tax Increment Financing as a Factor of Project Financing (Exhibit C) – Deron Kintner
  - Transformational
    - Significant employment component
    - Substantial capital investment
    - Land use
    - Corporate need
    - Valuable and needed amenities
  - Prudent Financial Decision
    - Coverage
    - Return on Investment (ROI)
- Consolidated/Downtown TIF District
  - Created in early 1980s to finance Circle Centre Mall
  - Consolidated eight areas
  - Approximately $676 million in outstanding Consolidated TIF debt
- Resulting Major Projects (Downtown TIF)
  - Circle Centre Mall
  - Union Station
  - Simon Property Group Headquarters
  - JW Marriot
  - CityWay
  - WellPoint/Anthem Headquarters

    - City Market
- TIF Performance History
    - One-Hundred percent collection in 2012 is $2.5 billion
    - Coverage for 2011 is 122%

Councillor Mahern asked how much debt the Consolidated City currently has. Mr. Kintner said that with the sale of the utilities, the TIF debt is almost $1 billion.

Councillor Mahern said that between 2008 and 2009, there was a substantial decrease in what is the base AV, and he does not know if that is dollar for dollar. He asked if those differences represent a shifting of base AV after the TIF has been established. Mr. Kintner said that 2008-2009 was a down trend with the property values. He said that it also could have been new projects that could have come online, but he is not quite sure. Jason O'Neill, Policy Analytics, said that the biggest driver of that change was in 2009 when the School General Fund and the County Welfare Funds were eliminated, because the responsibility for that funding was taken over by the State. He said that action lowered the property tax rate and reduced the amount of revenue the incremental AV would generate. Mr. O'Neill said that in the TIF Neutralization process that is mandated by the State, the way to resolve that is to use some base AV to generate incremental revenue to replace it. Councillor Mahern asked if Mr. O'Neill can give a sense of how significant that number was for the 101 tax districts in terms of AV. Mr. O'Neill said that the difference between the $713,249,000 and the $431,685,000 is generally the amount of AV that was assumed by the increment to maintain the same amount of funding. Councillor Mahern said that this process then decided that money in the base from the beginning would now be taken into the TIF. Mr. Spalding said that the reason that happened was because tax rates went down at the same time. Because of the impact on the increment revenue and the debt pledged to it, the base had to be forfeited to address that within the TIF district, as required by law.

Councillor Mahern asked if Mr. Kintner has any thoughts or plans for whether or not the City would try and pay off or pay down the debt in the downtown TIF, and see that the property that is located in the TIF area is returned to the property tax base. He asked if the downtown TIF is limited to 25 years. Mr. Kintner answered in the negative, stating that the downtown TIF is a very valuable tool for the City, and how it is utilized needs to be a collaborate effort. He said that he does not know if there is a right or wrong answer. Mr. Kintner said that it is never a bad idea to pay down debt, but at some times it may not be the best idea. He said that with Municipal Bonds, there is a general rule that debt cannot be paid down for 10 years after it is issued. Councillor Mahern asked if a portion of the TIF can be returned to the tax base. Mr. Kintner answered in the negative.

Mr. Kintner discussed some objectives, goals and successes of the Circle Centre Mall. Some key points are:

- The project was selected as a key shopping attraction downtown.

- The Mall is owned by the entity, Circle Centre Development Company, in partnership led by Simon.
- The developer was chosen as a joint initatitve with the City and Simon.
- Economic Development Plan was to revitalize downtown to spur some investment.
- The financing plan was to capture property taxes that would result from future private investment.
- A $40 million loan from the State Rainy Day Fund and Mall Investor Notes from 15 local companies for approximately $30 million.
- Mall exceeded expectations in their 18th year.
- Catalyst for downtown revitalization
- Two-thousand jobs linked to the Mall.

Mr. Kintner discussed some objectives, goals and successes of the CityWay project. Some key points are:

- In 2007, Lilly began looking for space to attract top talent in their industry.
- In 2008, Lilly and Buckingham Properties began working on a development plan.
- In 2009, the City became involved
- Connect corporate quadrant to downtown and also connect downtown to the southeast and southside neighborhoods.
- Financing was to add value.
- In addition to TIF, there were State grants, CTP designation, Midwest Disaster allocation, private equity and the YMCA fundraising and contribution.
- Amenities and connectivity created.
- The outcomes and lessons learned are to be determined.
- Public, private and non-profit sector coming together.

Billie Breaux, Marion County Auditor, asked what within this project made it eligible for the Midwest Disaster Fund. Mr., Kintner said that according to the guidelines, the project being located in Marion County and having a significant job component was what allowed the State to find this project eligible.

Mr. Mahern asked what the Lilly personal property TIF area is. Mr. Kintner said that the personal property for the Lilly Technology Center secures the consolidated TIF debt. He said that their technology center is in the Harding TIF district; however, the personal property for that is able to be used as a security for the consolidated downtown TIF. Mr. Mahern asked if all of the personal property at the Lilly Tech Campus is all TIF erected. Mr. Kintner answered in the affirmative, stating that the Harding Street and the downtown TIF are two TIFs in the same economic development area.

Public Testimony

Pat Andrews, citizen, asked why the TIF is not a footprint of the project. She said that in Indianapolis, the TIF area is much larger than the project area. The Airport TIF has property that is funded that would never be added to the AV, because it is non-taxable property. Ms. Andrews said that the City seems to be doing this backwards, and hopefully, this limited lifetime of TIF moving forward will help.

Jean Breaux, Senator, said that earlier in the meeting, it was stated that due to the fact that there was a shortfall in the AV because the State took over the School General Fund, the base was eroded to make up the TIF shortfall. She asked if this happens frequently or if it is a unique circumstance. Mr. Spalding said that it is a unique circumstance in a period of time where the State made a massive overhaul of the property tax laws in Indiana, and the same thing happened to TIF districts all across Indiana. Senator Breaux asked if there is other occasion where the base might be eroded to offset a shortfall in TIF revenues. Mr. Spalding said that certainly there could be, but not generally to that extent. He said that it is very rare that there are major portions of the property tax levy eliminated by state law. Ms. Breaux said that if there is excess, should there not be a requirement that the excess be capped before the base. Mr. O'Neill said that the TIF Neutralization process is outlined by Department of Local Government Finance (DLGF) and is described in administrative code and it applies to all Indiana Counties. He said that the process as outlined by DLGF does not make any allowances for any fund balance reserves. Senator Breaux asked if the Commission would consider that as a possible change to happen legislatively, and that would be a viable option. It is her understanding that when the base is eroded, that affects the other taxing units because they will receive fewer dollars. Mr. Spalding said that if the TIF Neutralization requirement is executed per the DLGF formula, a determination will be made that as a result of that calculation there is more increment than is needed to execute the purpose of the TIF. He said that the way it is remedied by district is to make individual pass-through decisions of AV.

Leif Hinterberder, citizen, stated that at the last Commission meeting, it was stated that they were looking to study how TIF leverages private equity and how TIF will stop public losses. He said that he is asking that the Mayor's Administration present examples of the Transformative Impact Project and its returns that exceed hundreds of millions of dollars through property, sales, and income tax by creating places where people want to be. Mr. Hinterberder asked if the City's Administration will present the Uptown Projec's specific details and how it affects the North Midtown Economic regional concept, including the College Avenue corridor and the City as a whole.

There being no further business, and upon motion duly made, the meeting was adjourned at 9:35 p.m.

Respectfully Submitted,

____

Steve Talley, Chairman

ST/lw

Connecticut	1972
Delaware	2002
D.C.	1998
Maryland	1980
New Hampshire	1979
New Jersey	2002
Rhode Island	1956
West Virginia	2002
Vermont	1985

Exhibit A

CITY-COUNTY COUNCIL OF THE CITY OF INDIANAPOLIS AND OF MARION COUNTY, INDIANA

PRESENTATION TO TAX INCREMENT FINANCE (TIF) STUDY COMMISSION

Alternative and Complementary Development Tools

April 12, 2012

Economic Development Revenue Bonds

- City issues bonds and loans proceeds to private party (company or developer)
- Bonds are payable <u>solely</u> from repayment of loan by borrower – City has <u>no</u> <u>liability</u> for repayment of bonds
- Bond approval process:
  - Public hearing before Economic Development Commission
  - Council committee review
  - Adoption of bond ordinance by City-County Council

Economic Development Revenue Bonds (con't.)

- Nature of incentive: interest on the bonds is exempt from federal income tax, thereby lowering interest rate and borrowing cost
- Limitations
  - Only available for a few specified types of projects identified in the Internal Revenue Code, such as small manufacturing facilities, private utilities, private airports, low income housing, and 501(c)(3) projects
  - Significant federal tax restrictions on projects that will qualify
  - Does not provide any credit enhancement or equity, only lowers borrowing cost to private entity

Economic Development Revenue Bonds (con't.)

- Midwestern Disaster Area Bonds
  - Special category of tax-exempt bonds available through the end of 2012 in certain designated Indiana counties, including Marion County
  - Available to broader range of project types, so long as jobs are created
  - State must approve allocation of tax-exempt bond capacity for project
  - Similar advantages and limitations as for other tax-exempt economic development bonds

Property Tax Abatement

- Relieves recipient from paying all or a portion of its property taxes for a prescribed period of time by allowing an assessed value deduction
- Eligible projects
  - Real property
    - New (non-retail, non-residential) buildings
    - Improvements to existing (non-retail, non-residential) buildings
  - Personal property: new equipment for manufacturing, logistical distribution, information technology, or research and development purposes

Property Tax Abatement (con't.)

  - Retail projects on a limited basis
  - Residential facilities located in a "residentially distressed area" or multi-family facilities with low-income set asides
- Scope of abated taxes
  - Duration: designating body generally may specify between one and ten years
  - Annual amount: statute generally sets forth a declining schedule of abated percentages of assessed value, but 2011 legislation now allows an alternative abatement schedule that could allow for up to 100% abatement for up to 10 years

Property Tax Abatement (con't.)

- Approval process
  - Metropolitan Development Commission (MDC) adopts declaratory resolution to establish an economic revitalization area (ERA)
  - Notice of public hearing published
  - MDC conducts public hearing, then adopts confirmatory resolution confirming the establishment of the ERA
  - Applicant submits statement of benefits to MDC
  - MDC approves statement of benefits and specific assessed deduction schedule

Property Tax Abatement (con't.)

- If the property is located in an allocation area established after July 1, 2008, the statement of benefits also must be approved by the City-County Council
- In Indianapolis, the Department of Metropolitan Development (DMD) generally enters into a Memorandum of Understanding (MOU) with the tax abatement recipient
- Recipient must file annual deduction application with the MDC and the County Auditor in order to receive the deduction
- Abatement may be terminated for noncompliance

Property Tax Abatement (con't.)

- Limitations of tax abatement incentive
  - Does not provide any "up front" project money to recipient
  - Value of cash flow relief during designated period may not be enough of a financial incentive to make project viable
  - If used in conjunction with TIF, limits the amount of TIF available and makes TIF financing more difficult

Certified Technology Parks

- Allows the capture of new, incremental state and local income taxes and state sales taxes generated in the certified technology park (CTP) up to a maximum of $5,000,000 over the life of the CTP
- Eligible projects
  - Must have a firm commitment from at least one business engaged in a "high technology activity" creating a significant number of jobs
  - Must satisfy one or more of the following criteria:
    - Support from a higher education institution

Certified Technology Parks (con't.)

- Commitment to commercialization of research produced at the CTP by the higher education institution, private research based institution, or military research and development testing facility
- Demonstration that CTP will take advantage of unique public and private resources available in the area
- Existence of a proposed development of a business incubator with the CTP
- Existence of a business plan for the CTP addressing certain matters required by statute, or
- Assurance that the proposed CTP can be developed to contain property used for a high technology activity or business incubator

Certified Technology Parks (con't.)

  - CTP funds must be used for "public facilities," determined to include infrastructure, a business incubator, and other facilities supporting high technology activities
- Approval process
  - City must file application for designation of a CTP with the Indiana Economic Development Corporation (IEDC)
  - IEDC then may designate the CTP, if it finds that statutory requirements have been met
  - IEDC enters into agreement governing the CTP with the MDC and the City-County Council

Certified Technology Parks (con't.)

- Incremental sales and income taxes are deposited into a CTP fund established by the MDC, which then may use the funds for the following purposes:
  - To acquire, improve, construct, restore, maintain and repair public facilities
  - To pay operating expenses for a business incubator
  - To pay debt service on bonds issued to finance development of public facilities
  - To reimburse the City for expenditures made by it for public facilities in or serving the CTP
  - For "pay as you go" projects of the MDC in or serving the CTP

Certified Technology Parks (con't.)

  - The CTP fund may <u>not</u> be used for operating expenses of the MDC
- Limitations of CTPs as an economic development tool
  - Generally limited to projects involving high technology activities
  - Must be approved by the State (IEDC)
  - Limitations on type-of projects that may be funded
  - $5,000,000 lifetime limitation on amount that may be captured
  - Must be reviewed and recertified every four years by the IEDC

Economic Improvement Districts

- In an economic improvement district ("EID") projects are funded by special assessments on property within the district, relative to the special benefits received by such property
- The special assessment is in addition to the normal property taxes paid by the property owner
- Eligible projects within an EID:
  - planning or managing development or improvement activities,
  - designing, landscaping, beautifying constructing or maintaining public areas, public improvements or public ways (this can include lighting, infrastructure, utility or sewage facilities, streets and sidewalks, among others),

Economic Improvement Districts (con't.)

- promoting commercial activity or public events,
- supporting business recruitment and development,
- providing security for public areas,
- acquiring constructing or maintaining parking facilities, and
- constructing, rehabilitating or repairing residential property, including improvements related to the habitability of the residential property

Economic Improvement Districts (con't.)

- Process for Creating an EID
  - Property owners file a petition for the establishment of an EID with the City-County Council which must include:
    - the boundaries of the district,
    - the boundaries of any zones within the district with differing benefit apportionments,
    - the name and address of each parcel and owner of land within the proposed district and a description of the current zoning and land use classification for each parcel,

Economic Improvement Districts (con't.)

- a detailed description of the economic improvement projects to be carried out within the district and the estimated cost of the projects and the benefits to accrue to the property owners within the district, a plan for the application of assessment revenue to the cost of the projects, a proposed formula for determining the percentage of total benefit to be received by each parcel of property within the district,
- the number of years in which assessments will be levied, and
- a proposed list of members for the EID Board

Economic Improvement Districts (con't.)

- Petition must be signed by a majority of the owners of real property within the proposed district <u>and</u> must be signed by the owners of real property constituting more than fifty percent (50%) of the assessed valuation in the proposed district
- After receiving a petition, the City-County Council publishes notice of a public hearing on the proposed EID and mails a copy of the notice to each owner of real property within the proposed EID
- City-County Council Conducts Public Hearing

Economic Improvement Districts (con't.)

- After the public hearing the City-County Council may adopt an ordinance establishing the EID if it determines that:
  - the requirements of the petition have been met,
  - the projects to be undertaken will provide special benefits to property owners and the projects are of public utility and benefit,
  - the benefits provided will be new benefits and do not replace benefits already existing in the district before the establishment of the EID, and

Economic Improvement Districts (con't.)

  - the formula to be used for the assessment of benefits is appropriate
- An ordinance must also establish an economic improvement board (the "Board") appointed by the legislative body with at least three members, a majority of whom must own property within the EID; after February 28, 2010, an EID must have at least one (1) parcel of real property that is not owned by an owner of other parcels of real property in the EID

Economic Improvement Districts (con't.)

- Method of Assessment
  - Basis for Apportionment: The benefits accruing to property within the EID may be apportioned on any basis reasonably representative of the diffusion of the benefits from the projects within the district, including:
    - the proximity of the parcel to the projects,
    - the accessibility of the parcel to the projects,
    - the true cash value of the parcel,

Economic Improvement Districts (con't.)

  - the true cash value of any improvement on the parcel,
  - the age of any improvement on the parcel, and
  - any other similar factors
- The assessments may be adjusted according to the zoning classification of the property, and up to three (3) distinct apportionment zones may be established within an EID if the benefit of the projects to the properties varies between areas of the district
- The EID ordinance must approve the proposed apportionment formula

Economic Improvement Districts (con't.)

- After approval of the ordinance, the Board must, using the approval apportionment formula, determine the percentage of benefits to be received by each parcel within the district
- The Board then applies this percentage to the total amount that is to be defrayed by special assessment within the district to determine the special assessment for each parcel
- Upon making this determination, the Board must mail notice to each owner of property within the district stating:
  - the amount of the proposed special assessment,

Economic Improvement Districts (con't.)

- that the proposed special assessment on each parcel of property within the district is on file and available for inspection in the Board's office,
- the time and place where written remonstrances against the special assessment may be filed,
- the time and place where the Board will hear any owner who has filed a written remonstrance, and
- that the Board may, after hearing evidence, increase, decrease or leave unchanged the amount of special assessment

Economic Improvement Districts (con't.)

  - After hearing all remonstrances, the Board must make a determination on each assessment by increasing, decreasing or confirming each special assessment
  - The EID assessments are liens on the real property that is assessed in the EID, second only to ad valorem property taxes
- Action Contesting Validity: Any owner of real property in an EID may file an action contesting the validity of an adopted ordinance establishing an EID or the special assessment schedule; such action must be filed within thirty (30) days after adoption of the ordinance or special assessment schedule and must be filed in the circuit or superior court of the county in which the EID is located

Economic Improvement Districts (con't.)

- Practical Use of EID Funds
  - All assessments collected are paid to the Board and deposited in an economic improvement fund, which may only be used for the purposes specified in the ordinance creating the EID
  - By November 1 of each year, the Board must prepare and submit an annual budget to the City-County Council for approval, modification or rejection; any expenditure by the Board must be included in the approved budget or otherwise approved by the City-County Council

Economic Improvement Districts (con't.)

- Among other actions, the Board may make purchases, contract for public works, enter into contractual agreements or enter into leases for the purpose of carrying out the enumerated economic improvement projects
- The Board may also exercise the power of eminent domain
- The Board may finance its economic improvement projects using many methods, including but not limited to, issuing revenue bonds or selling or leasing economic development land or facilities to users or developers

Economic Improvement Districts (con't.)

- Limitations of EIDs as an economic development tool
  - Must be agreed to by a majority of property owners in the proposed area
  - Property owners in an EID essentially pay higher taxes than those not in an area – practical limits an how much can be raised through assessment
  - Collection of assessments over time – credit challenges in bonding against future assessment collections
  - Practical limitations on size of area puts limits on how much revenue can be raised through assessments

Other General Municipal Financing Tools

- General Obligation Bonds
- Other

- CAN ISSUE & tax whole city
referendum process, lengthly
increase in tax base

Exhibit B

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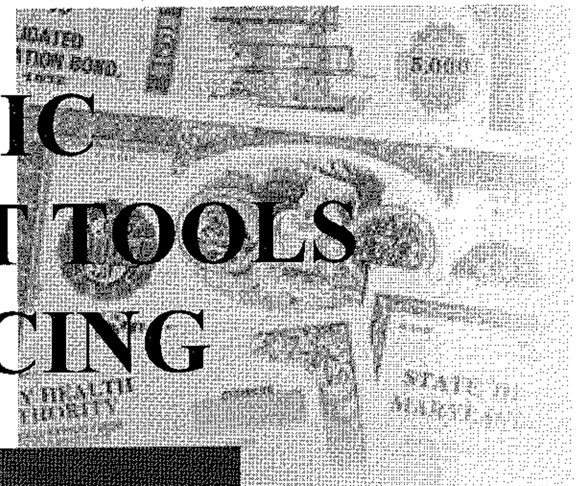
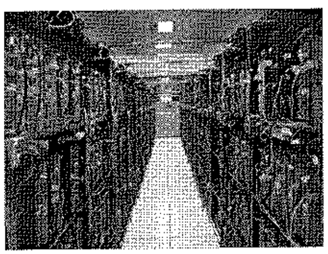
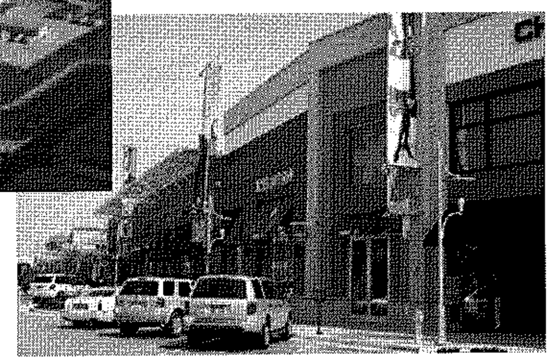


ECONOMIC DEVELOPMENT TOOLS AND FINANCING





Presentation to Indianapolis-Marion County Council

TIF Study Commission on April 12, 2012

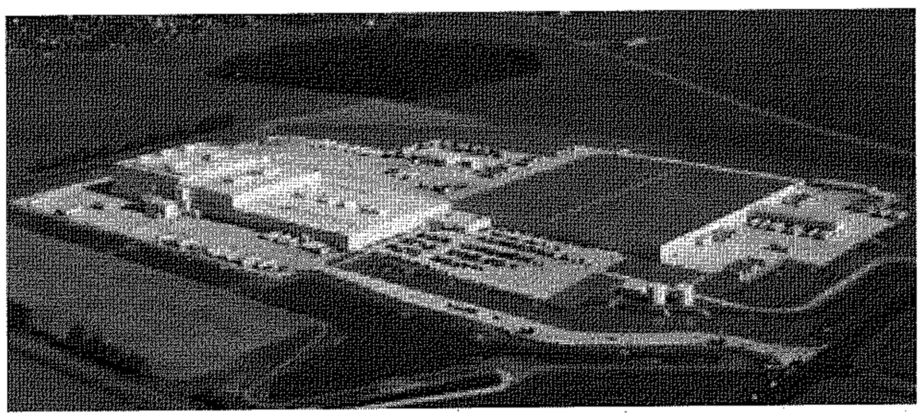
UMBAUGH Indianapolis (317)465-1500

Loren Matthes, Principal *matthes@umbaugh.com*

It's all about experience.

Why do communities want "economic development" ???

Jobs, wages, increased local spending, economic diversification & build tax base



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Why is economic development important for schools and local government?

- **Property tax caps** limit property taxes paid by taxpayers and limit property tax revenues available to fund local services.
  - Property tax revenues decreased over $500 million statewide due to tax caps
  - Once the tax limit is reached, increases in property tax rates are no longer funded, except certain obligations approved through local referenda
- **Decline** in **state income tax** collections over the last three years
  - Reduced revenues for operating, infrastructure and property tax relief
- **Increasing costs**
  - 2007 – 2011 increases: gas 18%, electricity 19%, medical 15%

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Short and Long term solutions

- **Cut costs and improve operational efficiencies**
- **Grow** ***property tax*** base and ***income tax*** base
  - Growing property tax base at or above growth in property tax levies will stabilize, or reduce, property tax rates and property tax revenues lost to the property tax caps
  - Growing income tax base at or above the rate of inflation will provide a reliable revenue source to pay competitive wages and meet the growing needs of constituents
- **Leverage private investment**
- **Find and leverage additional sources of funds**

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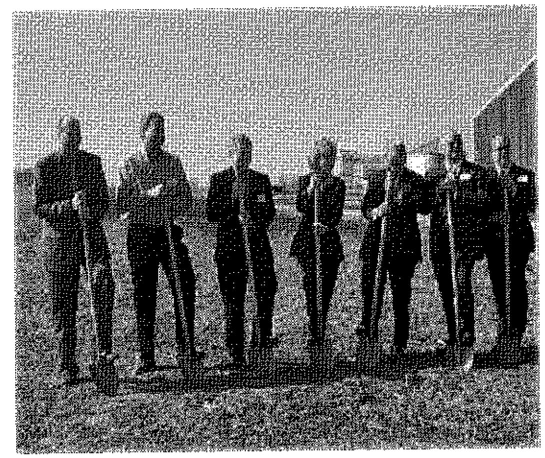
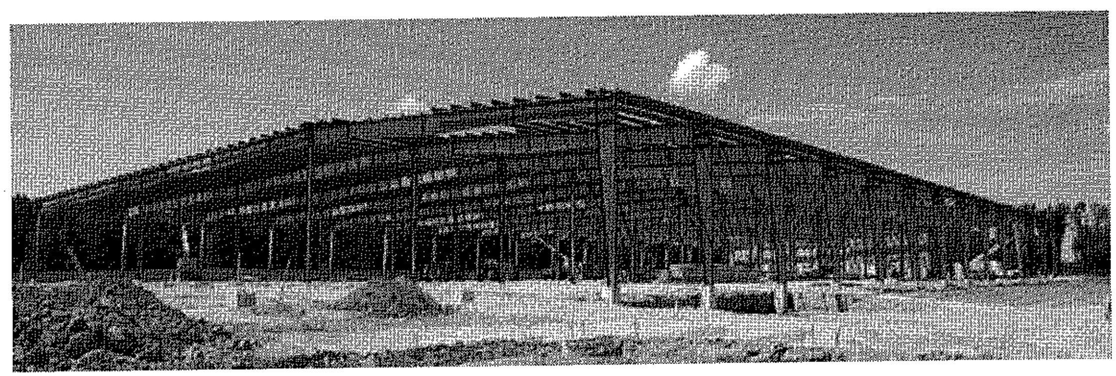
Why do we offer incentives for economic development?

- Encourage new business investment to increase our local and state tax base, reduce tax burden, reduce property taxes lost due to tax caps
- Encourage job creation or retention
- Target: specific industries or market segments, geographic areas, low-income
- Competition among alternative sites





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What local incentives and funding sources are available?

- Tax Increment Financing (TIF)
- Tax Abatement
- Incremental sales and use taxes
  (*CRED Districts and Certified Technology Parks)*
- Special Assessments – Economic Improvement Districts
- Property taxes: Cumulative Capital funds and G.O. bonds
- Local Option Income taxes: EDIT/COIT/CAGIT
- Economic Development Revenue Bonds – tax-exempt or subsidized
- Local Hiring Incentives (new employee income tax)
- Other taxes (special legislation)
  - Food & beverage, innkeepers, wheel and surtax
- User fees – utility revenue bonds, availability fees
- Facility net revenues
- New Market Tax Credits
- DINO Building tax credits
- Data Center – 100% personal property abatement

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What is **TIF**?

Tax increment financing (or "TIF") is a tool which captures assessed value and new property taxes from new private development in a designated area

To finance **INCENTIVES** or **INFRASTRUCTURE** needed **to induce private investment**

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Purpose of TIF

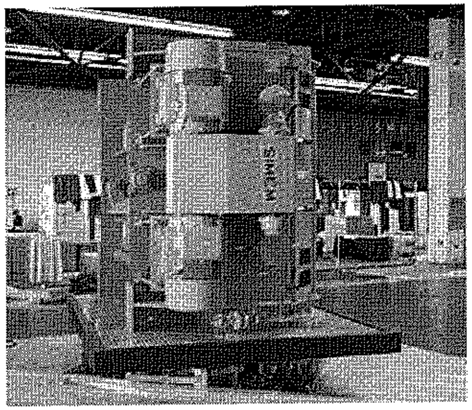
BENEFITS

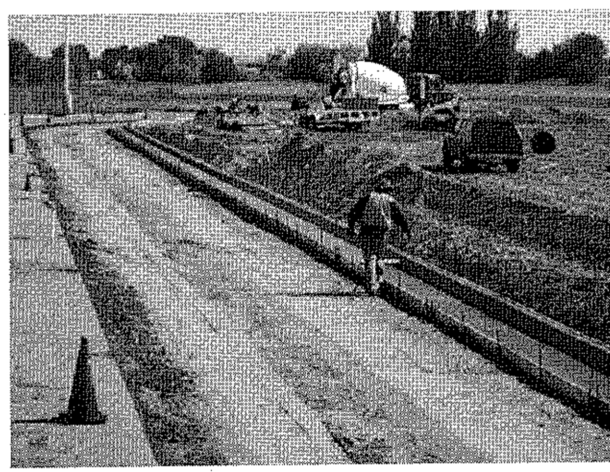
- Finances incentives and infrastructure needed to induce private investment and economic growth
- Encourages orderly economic growth in targeted areas
- Redevelops aging and deteriorating areas
- No additional tax levy
- Avoid referenda process
- Extremely flexible uses; can be used with other revenues
- *Future:* Results in growth in the property tax base
- *Immediate:* Stimulates the local economy through job creation, increased income and spending; uncaptured personal property, surplus pass-through

COSTS

- *(During the term of the TIF Area, if no excess pass-through)* Other taxing units forego the increase in assessed value and forego increases in revenue on rate-controlled funds and circuit breaker reductions; may delay tax reduction for individual taxpayers
- TIF bonds require extra security, credit enhancement, higher financing costs

What can TIF be used for?





- Utility improvements
  - sewer and water
- Roads and Rail
- Land acquisition / site devt
- Buildings / equipment

- How is TIF used to fund?
  - Pay-as-you-go
  - Short or Long-term Bonds

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What is tax abatement?

- **A "phasing in" of property taxes** -- 1 to 10 year terms
- Reduce company's tax liability on new improvements, new buildings and equipment
    - Manufacturing, R&D, Distribution, Residentially distressed
  - *(Under prior and current law)* Abatement percentages are predetermined by statute and can be up to 10 years
  - *New Law* provides many abatement options, criteria
  - 3-year abatement of existing taxes on large vacant buildings

BENEFITS: **Reduces company's operating expenses**
COSTS: **Delays property taxes to local government**
LIMITS: **Does not provide "up-front" capital incentive or fund infrastructure**

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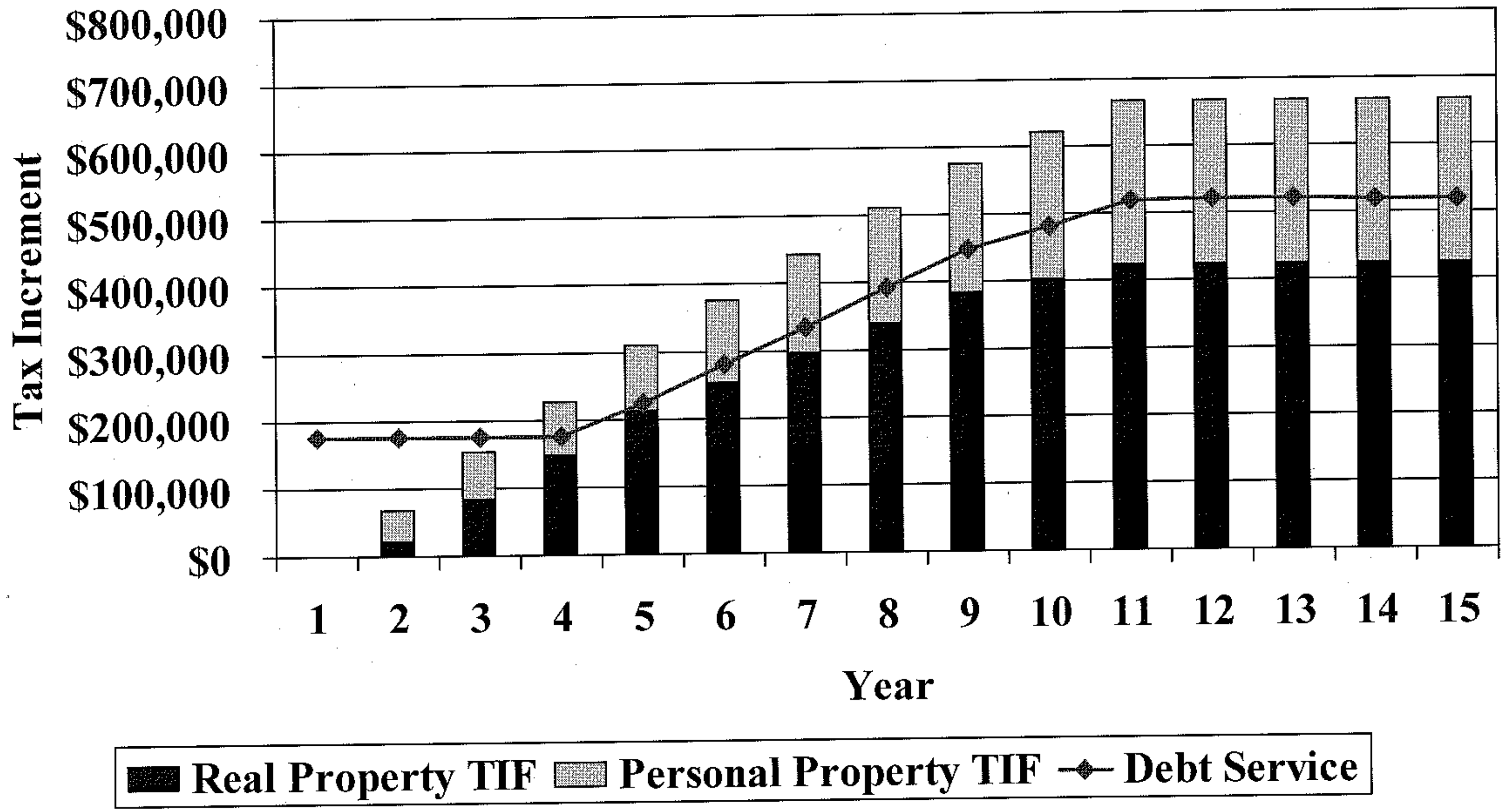
Assumes 10-year Property Tax Abatement

$3,500,000 Bond Proceeds



Note: Assumes $40 million real property investment and $60 million personal property investment.

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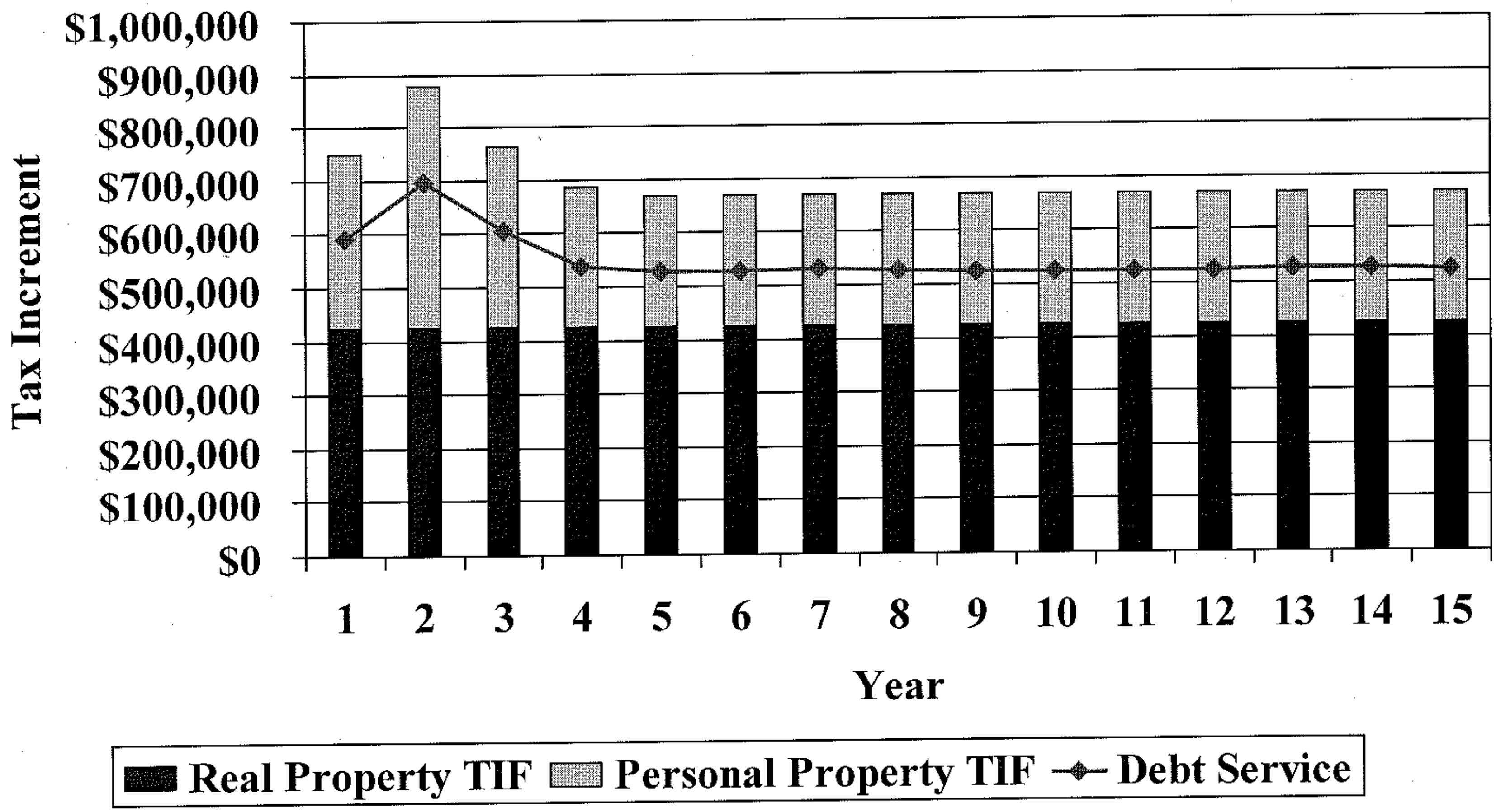
Assumes no Property Tax Abatement

$5,800,000 Bond Proceeds



Note: Assumes $40 million real property investment and $60 million personal property investment.

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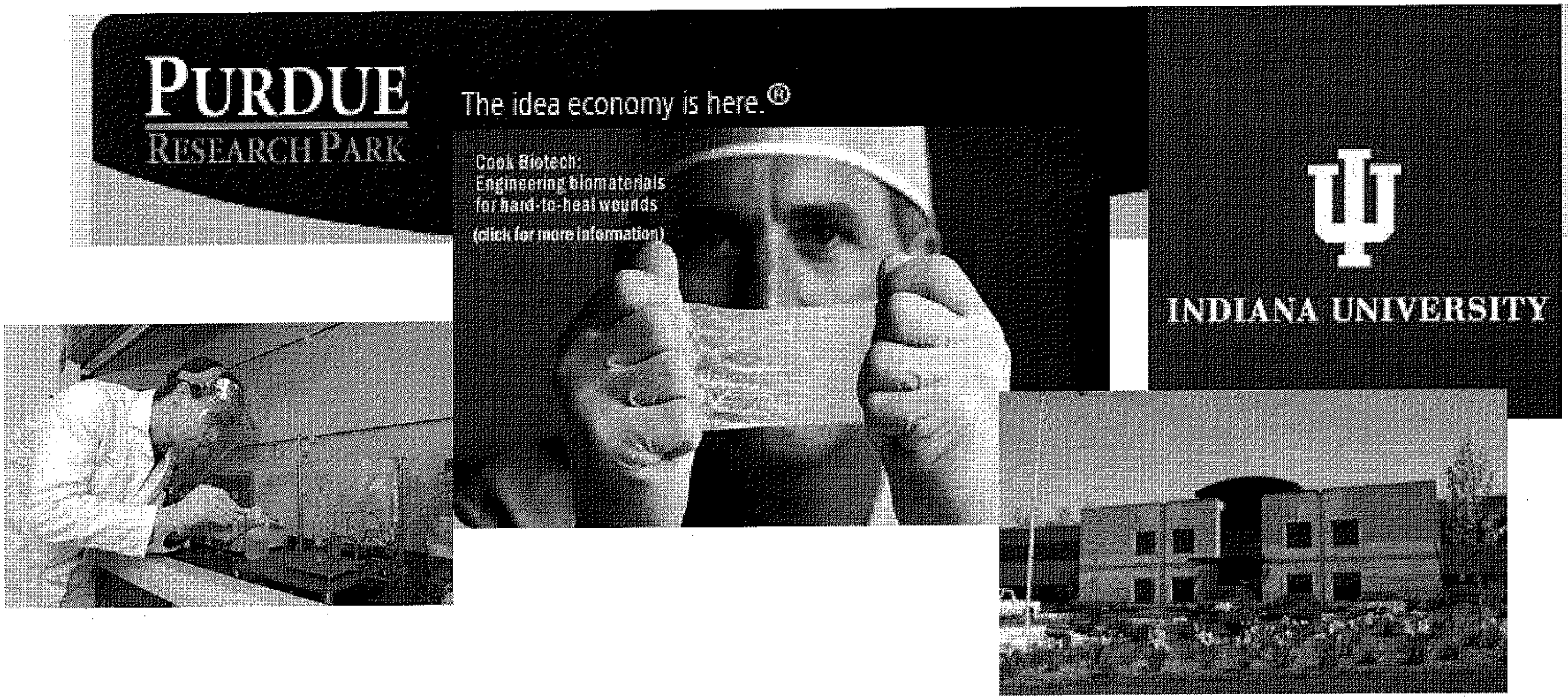
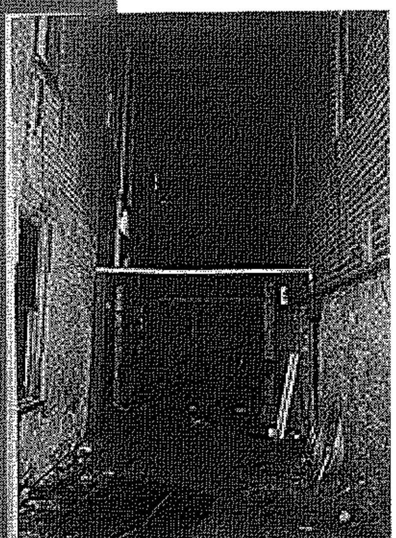
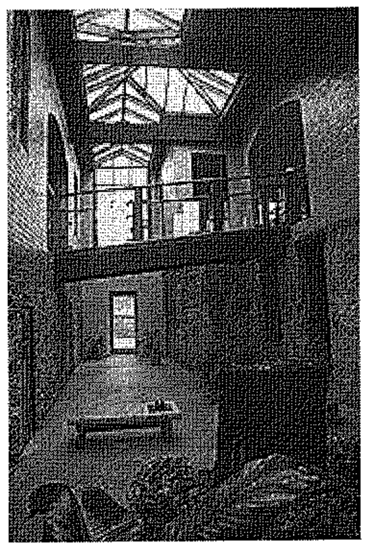
Certified Technology Parks (CTP's)



- Encourage the location of high technology businesses within targeted areas; university support
- Capture up to $5,000,000 of incremental income, sales and property taxes
- Captured tax revenues are reinvested in the Technology Park
- State IEDC approval needed

Community Revitalization Enhancement Districts (CRED's)





- Encourage revitalization of industrial/commercial sites within a targeted area.
- 15 year District limit
- Capture up to $750,000 annual incremental employee income and retail sales taxes (up to 75%)
- 1st and 2nd class cities and designated industrial sites
- State IEDC approval

Economic Improvement Districts (EID)

- Special Assessments (tax liens) on property owners in the District are used to fund new projects such as streets and sidewalks, infrastructure, parking facilities and building rehabilitation
- Potential disincentive: property owners pay additional tax; can make property more expensive and less competitive;
- Must establish Board, annual budgets
- Require petition of majority of property owners to establish EID; hearing, etc.
- Apportionment formula; on-going administration
- May not be economically feasible
- Limited revenue makes bonds difficult to market; may need credit enhancement or other sources of revenue

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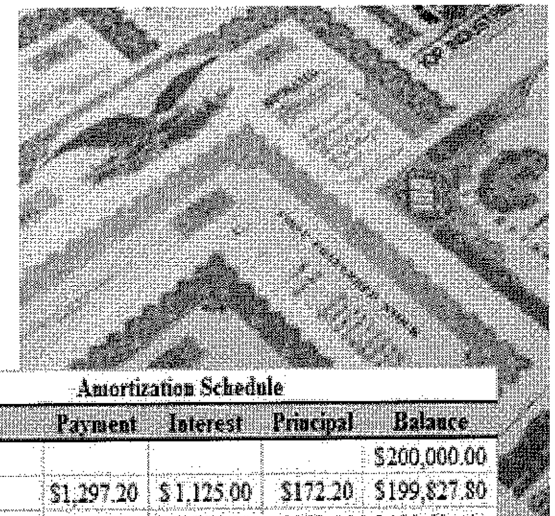
General Obligation (G.O.) Bonds

- Cities and towns can issue G.O. Bonds to fund public roads and public buildings
- Levy an additional debt service property tax on all City taxpayers for approximately 20 years; usually outside the maximum levy limit
- Can increase circuit breaker loss for other funds unless approved by referendum
- Typically requires referendum (or petition-remonstrance process)
- Takes time for approvals and to build community support
- Not very compatible with economic development projects which require quick turn around and confidentiality



Amortization Schedule

Period	Payment	Interest	Principal	Balance
0				$200,000.00
1	$1,297.20	$1,125.00	$172.20	$199,827.80
2	$1,297.20	$1,124.03	$173.16	$199,654.64
3	$1,297.20	$1,123.06	$174.14	$199,480.50
4	$1,297.20	$1,122.08	$175.12	$199,305.38
5	$1,297.20	$1,121.09	$176.10	$199,129.28
6	$1,297.20	$1,120.10	$177.09	$198,952.18

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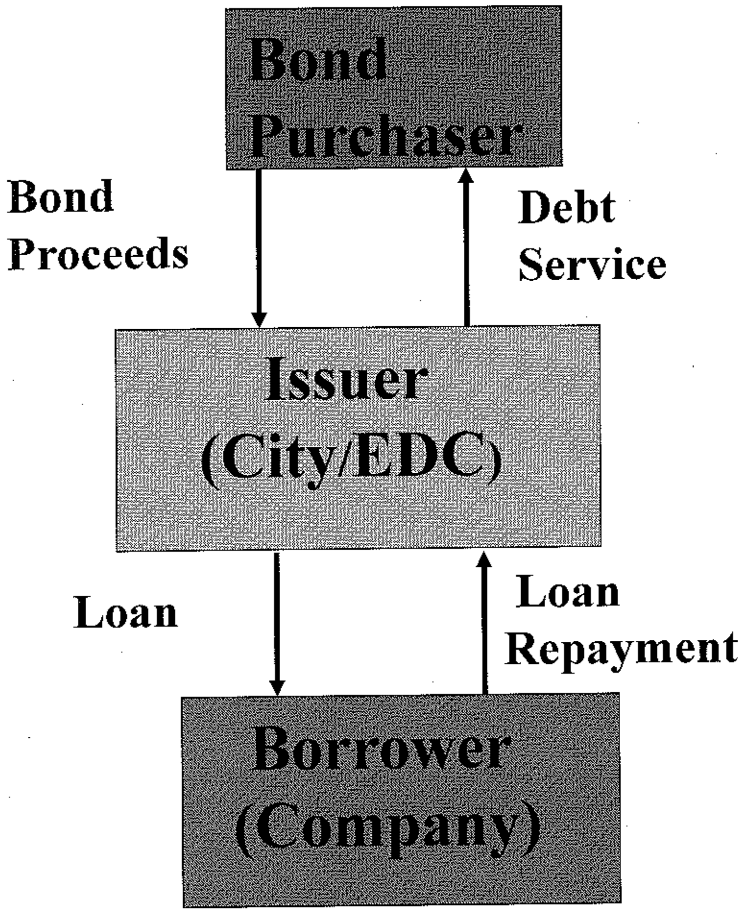
Local Option Income Taxes
CAGIT / COIT / EDIT / LOIT

- Additional tax imposed on the Indiana adjusted gross income of residents of the County and non-residents who work in the County
- Distribution based on eligible units' proportionate share of property tax levy
- Broadened uses: property tax replacement, capital projects, economic development, municipal operating expenses

EDIT/COIT Bonds

- Bonds repaid from local option income tax revenue
- Limited to maximum combined rate of 1.0%
- Revenues can be combined
  - From different taxing units e.g. County and City
  - Both EDIT and COIT can be pledged to the repayment of the same bond issue
  - Income tax supported bonds can also be "backed-up" with a pledge of property taxes
- Bond investors typically require a debt reserve and sufficient bond coverage
- Debt may count toward debt limit

Tax-Exempt Industrial Development Bonds
("IDB" or "EDC" Bonds) [Private Activity Bonds]



- Available for manufacturing, solid waste
- Statewide limits (volume cap)
- Project must create new jobs
- Manufacturing – Company's capital expenditures must be less than $10 million for 6-year period

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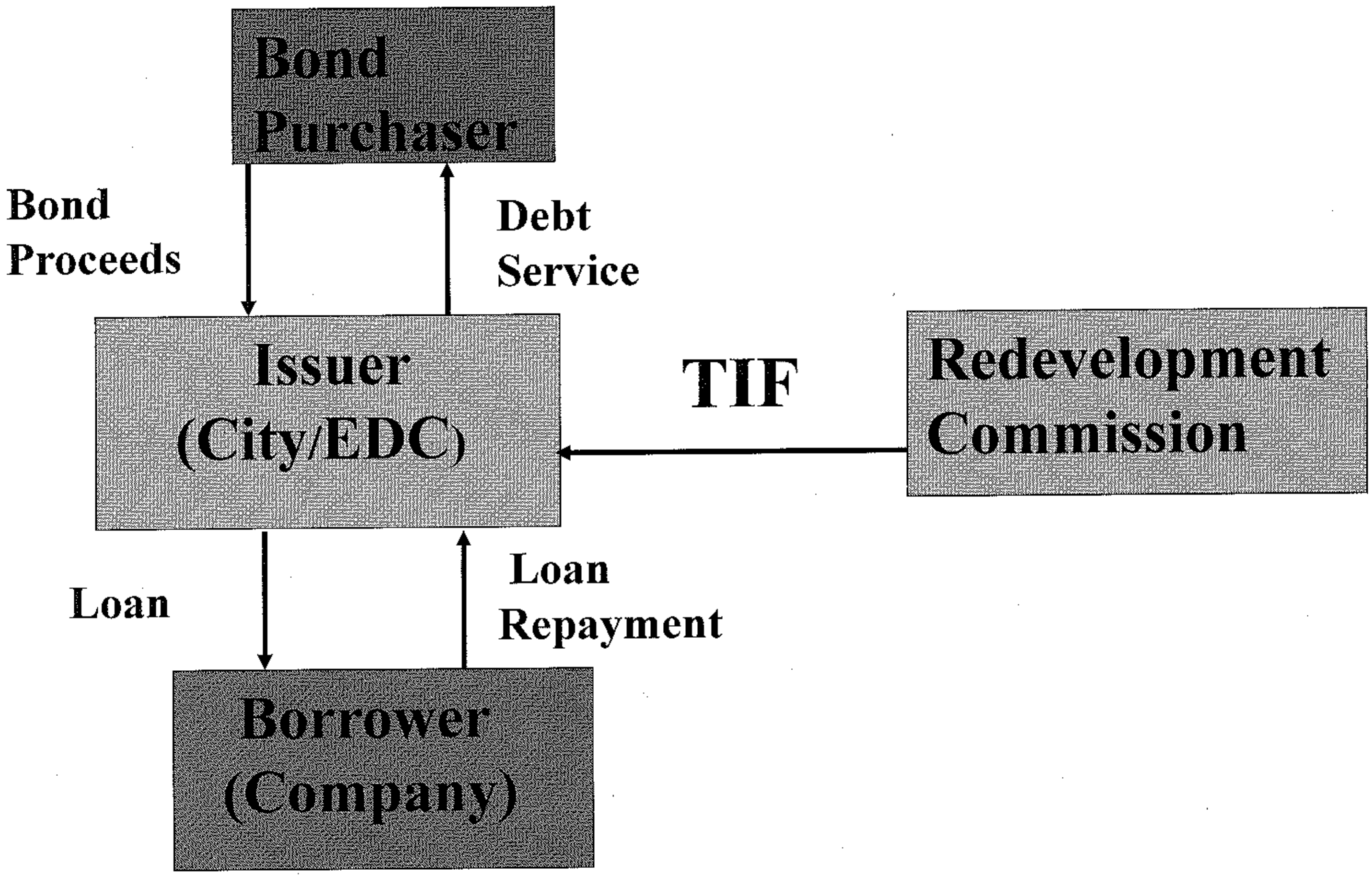
Taxable EDC Bond's and TIF



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Tax-Exempt Midwest Disaster EDC Bonds and TIF – Even Better!

	Est. Annual Payment
Taxable EDC Bond	$475,000
Tax-Exempt MW EDC	$350,000
Tax-Ex. w/ TIF subsidy	$150,000

Assumes:$4 million Bonds, 20-year term; $200,000 annual TIF.

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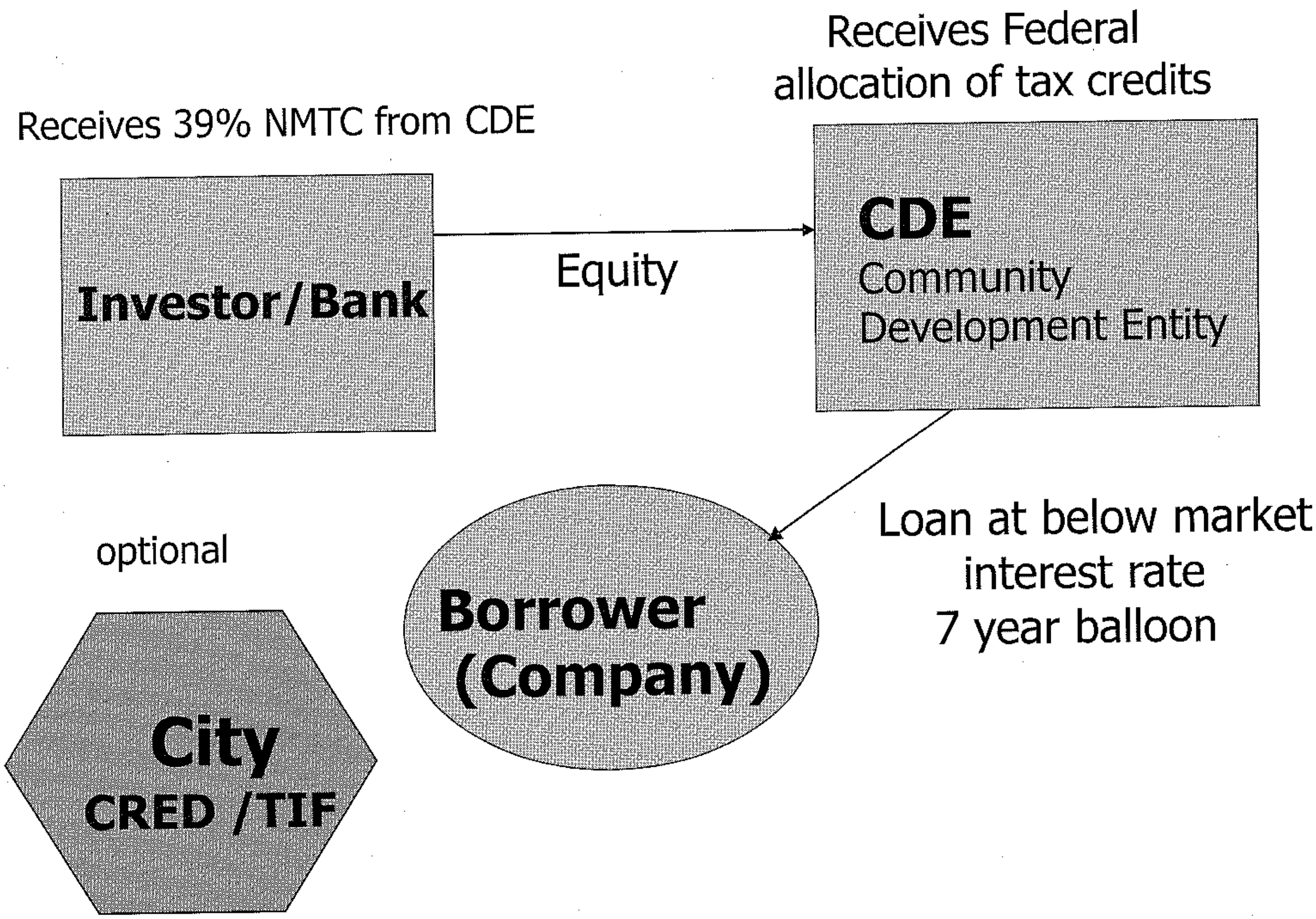
LOCAL HIRING INCENTIVES

HEA 1007

- Cities and counties can authorize hiring incentives
- Hiring incentives paid to Company from <u>local</u> option income taxes (COIT, CAGIT, EDIT) from new employees' wages
- Will require special tracking of individual companies
- Unit and applicant must enter into an agreement that must specify the amount and term of the incentive, which may not exceed 10 years
- Applicant must state that new jobs will be created, that hiring incentive is major factor in decision to create new jobs and no jobs will be created without incentive; Cannot relocate jobs from another Indiana location

New Market Tax Credits



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- Data Center – 100% personal property abatement

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Types of TIF Bonds

- **Tax Increment Revenue Bonds** (tax-exempt or taxable)
  - Bonds payable solely from TIF (or can add other revenues)
  - Difficult to market; may add Developer guarantees
  - Need Reserve Fund and extra revenue coverage of debt service
- **Economic Development Revenue Bonds** (Taxable)
  - Company is responsible to repay bonds; TIF can be pledged to off-set Developer payments
- **Special Taxing District Bonds**
  - Bonds payable from a Special Benefits Tax (SBT), which is a property tax levy on the Redevelopment District; also TIF
  - Counts against 2% debt limit
- **Lease Bonds**
  - Lease payments from SBT levy, TIF, other revenues
  - Doesn't count against 2% debt limit

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Issues Affecting Bonds Payable from TIF

- **Taxable vs. tax exempt interest**
- **Bond Marketability / Security**
-
  - **TIF revenues only** [Bonds may not be marketable.]
  - ***For single Company or Developer-driven projects:***
    - **Corporate guarantee, taxpayer payments, bank letter of credit, or Company purchases bonds**
  - ***For Locally-driven projects - may add tax backup***
    - Property taxes, local income taxes, sewer revenues
    - Lower interest rate, leverage bigger bond
- **RISK:** Consider **who bears bond risk**, bond marketability, local political support/approval

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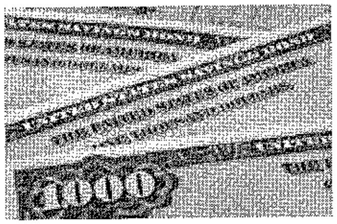
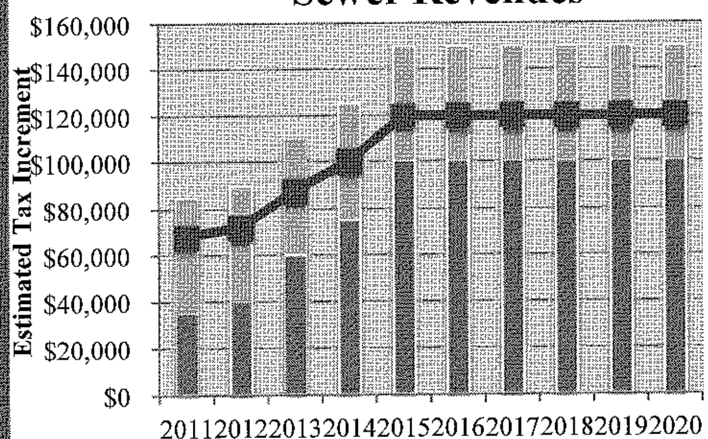


Economic Development Financing

Bonds and leases can be paid from:

- TIF alone
- TIF and Other Revenues to add security or to fill-in gaps during the early years.

Bonds Payable from TIF and Sewer Revenues



- EDIT, COIT or sewer revenues
- F&B taxes and other special taxes
- Project revenues e.g. parking fees
- CRED or CTP revenues
- Special Benefits Tax levy

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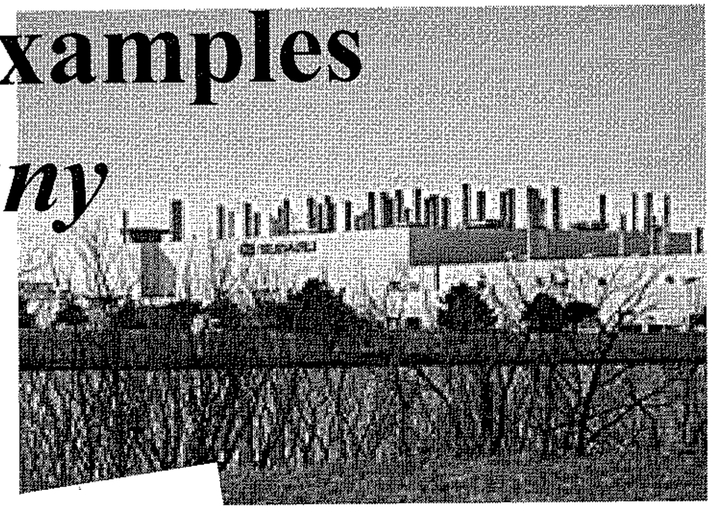
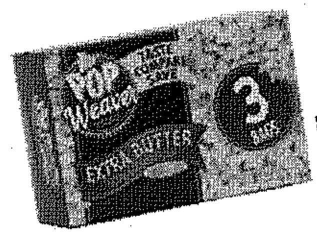
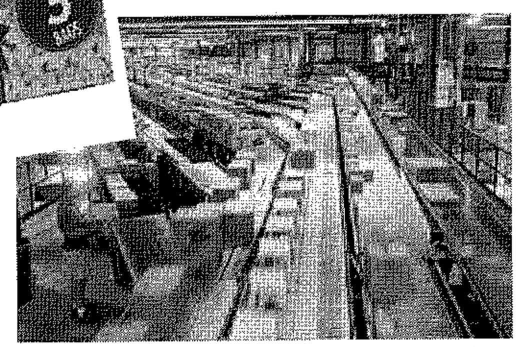
TIF Project Examples
Single Company



- Decatur County - Honda
- Princeton / Gibson County – Toyota
  - Company purchased TIF Bonds
- Van Buren – Water Tower – Weaver Popcorn
  - Bonds issued through SRF
  - payable from TIF and Utility Revenue

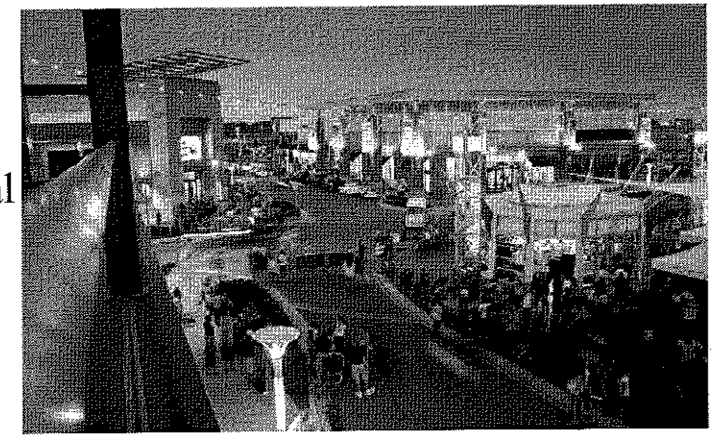


- Tell City / Perry County – Waupaca Foundry
  - VAR Taxable ED Lease Bonds
  - TIF, Bank Letter of Credit and Company Guarantee



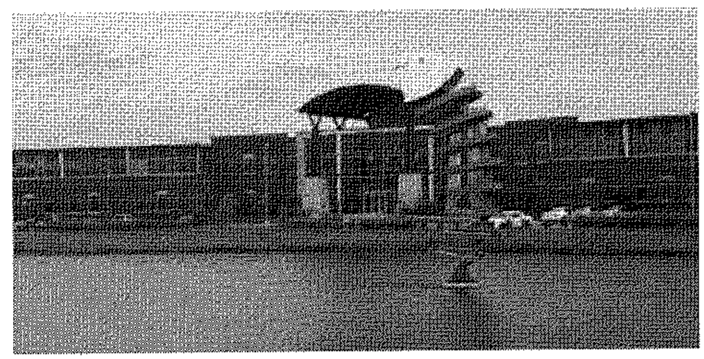
- Vigo County – Staples Distribution
  - Taxable EDC Bonds payable from Company and TIF pledge
- Gas City – Wal-Mart Distribution, Echelon Furniture Manufacturer
  - Taxable EDC Bonds payable from Company and TIF pledge
  - Prospects – advantage: existing TIF and prospect TIF

Project Examples: TIF and Other Funds and Leveraging



Town of Plainfield

- Infrastructure – Industrial Parks and Commercial
  - Leverage State and Federal grant funds with EDIT and TIF funds
  - Developer TIF; NO other tax back-up
  - Short-Term Notes until new development and TIF build-up;
  - Take-out Notes with TIF Bonds
- Office HQ
  - TIF to subsidize tenant rent to Developer
  - Taxable EDC Bonds
  - ***CLAW BACK*** $7 million

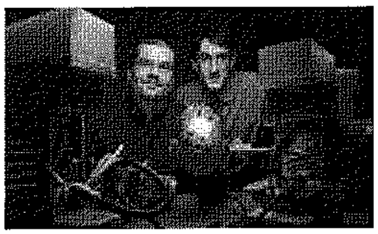


Blackford County – Montpelier Industrial Park

- Establish Industrial Park with infrastructure
- EDIT Bonds
- Attract NRP Manufacturing facility
  - 26-acre "shovel ready" site
  - 75% TIF $1.9 million
  - Tax Abatement $1.3 million savings
  - State: $475,000 Tax Credits

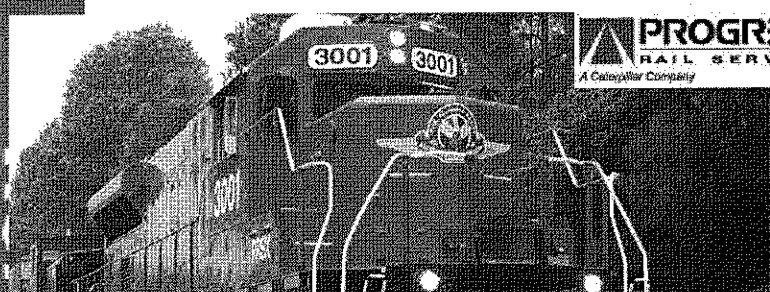
CTPs, CRED and TIF and Leveraging

MID-AMERICA
science park



City of Scottsburg
Mid-America Science Park

- High Tech Incubator and Conference Center for Entrepreneurs
- Funded with TIF and CTP revenues and $4 million EDA grant



PROGRESS
RAIL SERVICES
A Caterpillar Company

Delaware County
Industrial Parks

- Attract Magna Drive Train, Progress Rail, Shell Building
- Incentives funded with EDIT, TIF and CRED revenues, EDA grants

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TIF Bonds with EDIT, Property Tax back-up

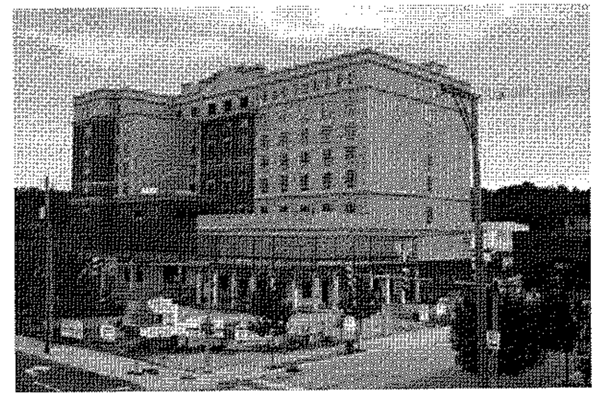
Fund Roads, design, ROW and drainage
Leverage federal and state funds

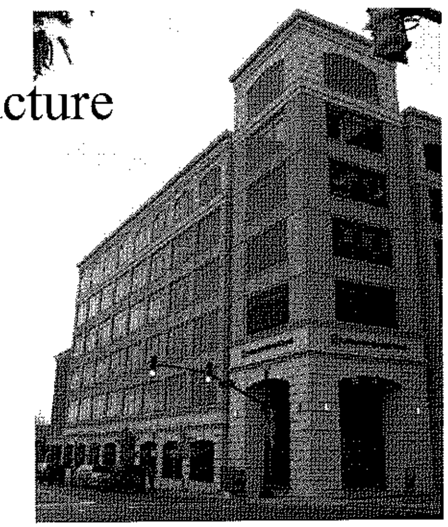
- Why back-up? *lower interest rate, public infrastructure*

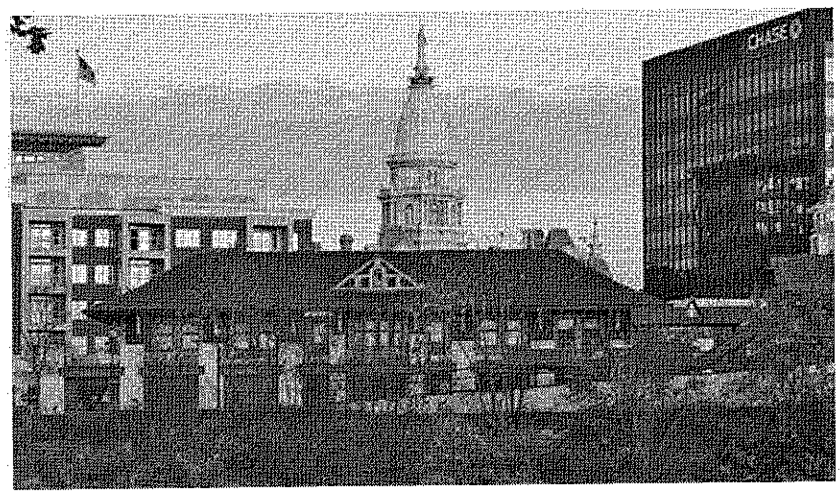
- Other examples
  - Hancock County Mt. Comfort Rd.
  - Hamilton County and Noblesville
  - South Bend, Elkhart, Dyer
  - Brownsburg, Plainfield,
  - Zionsville, Clarksville

More TIF Project Examples

- **City of Lafayette**
  - Downtown Hotel Project, Mixed-Use Projects, Shopping Centers, Parking Facilities and infrastructure
  - EDC Bonds, TIF Revenue and Lease Bonds
  - Senior TIF, Junior TIF
  - Developer guarantees – Developer incentives
  - Property Tax Back-up (SBT) - public infrastructure
  - Parking Facility Revenue Bonds
    - Parking facility revenues and TIF







EDIT funds leveraged over $100 million of federal funds for railroad relocation and road improvements

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Creative Combinations and Leveraging

– High Tech, Green Manufacturing Company
  Tax abatement and TIF/EDIT, EDC, Sewer SRF, INDOT funds, IDGF Grant, HBITC

– "BioTown" – Waste and Agri-products Energy Plants
  Tax-exempt Waste Facility Bonds, TIF EDC Bonds w/Corporate Payments, Energy Credits

– Rebuild after flooding; add a Business Incubator/Conf. Center
  Disaster Bonds, EDA Grants, BDC

– Revitalize Downtown Building
  New Market Tax Credits, TIF, CRED, EID, Brownfields, EPA grant

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"It's a Question of BALANCE"

TIF and other tools can be used to spur private investment and to seed new economic growth

Portion of TIF surplus can be used to provide property tax relief

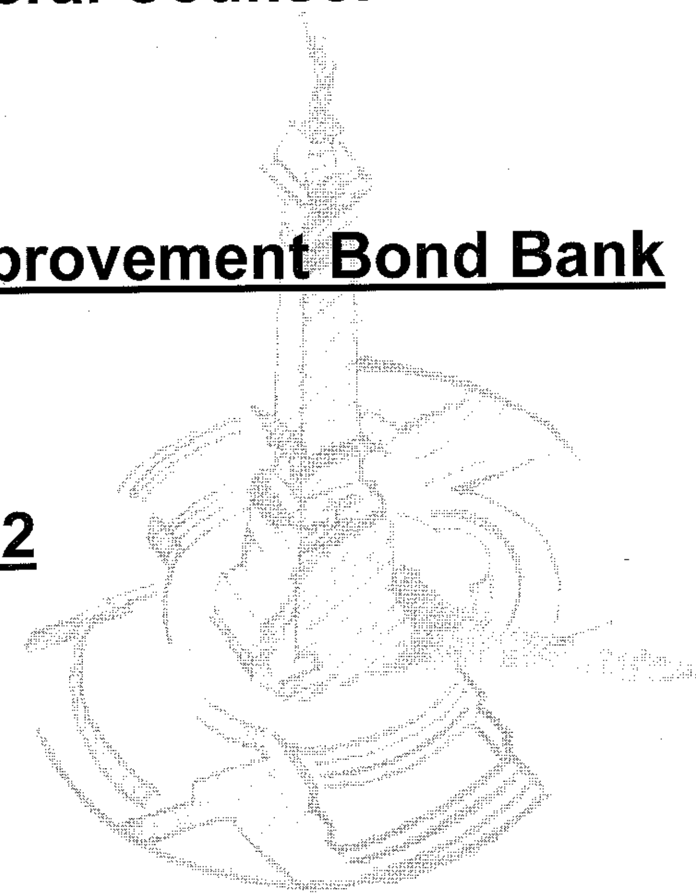
Exhibit C

Deron S. Kintner

Executive Director/General Counsel

<u>The Indianapolis Local Public Improvement Bond Bank</u>

<u>April 12, 2012</u>



I. Tax Increment Financing as a Factor of Project Financing

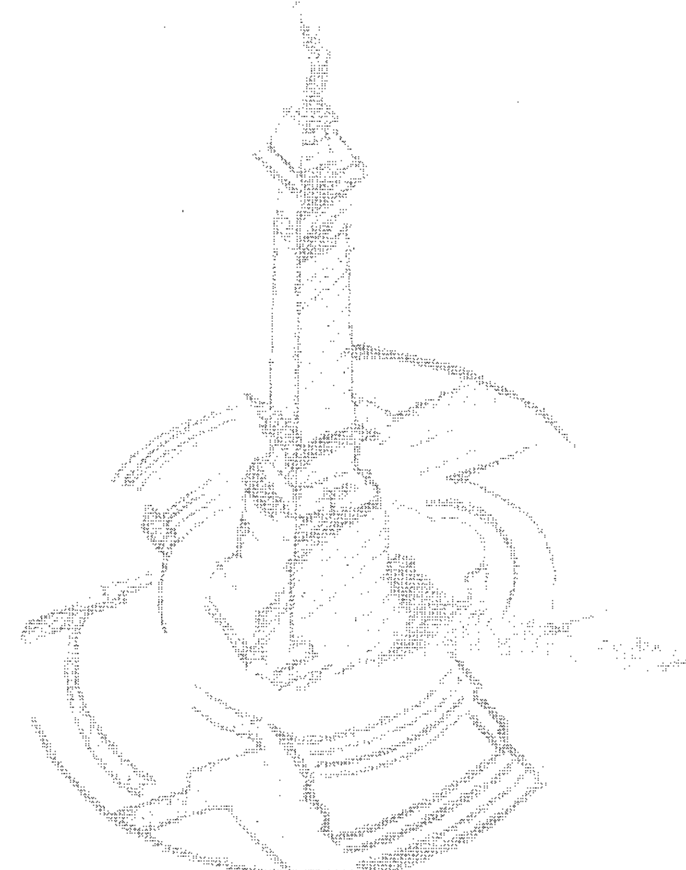
A. "But for" test

B. Transformational

1. Significant Employment component
2. Substantial Capital Investment
3. Land Use
4. Corporate Need
5. Valuable and Needed Amenities

C. Prudent Financial Decision

1. Coverage
2. Return on Investment (ROI)

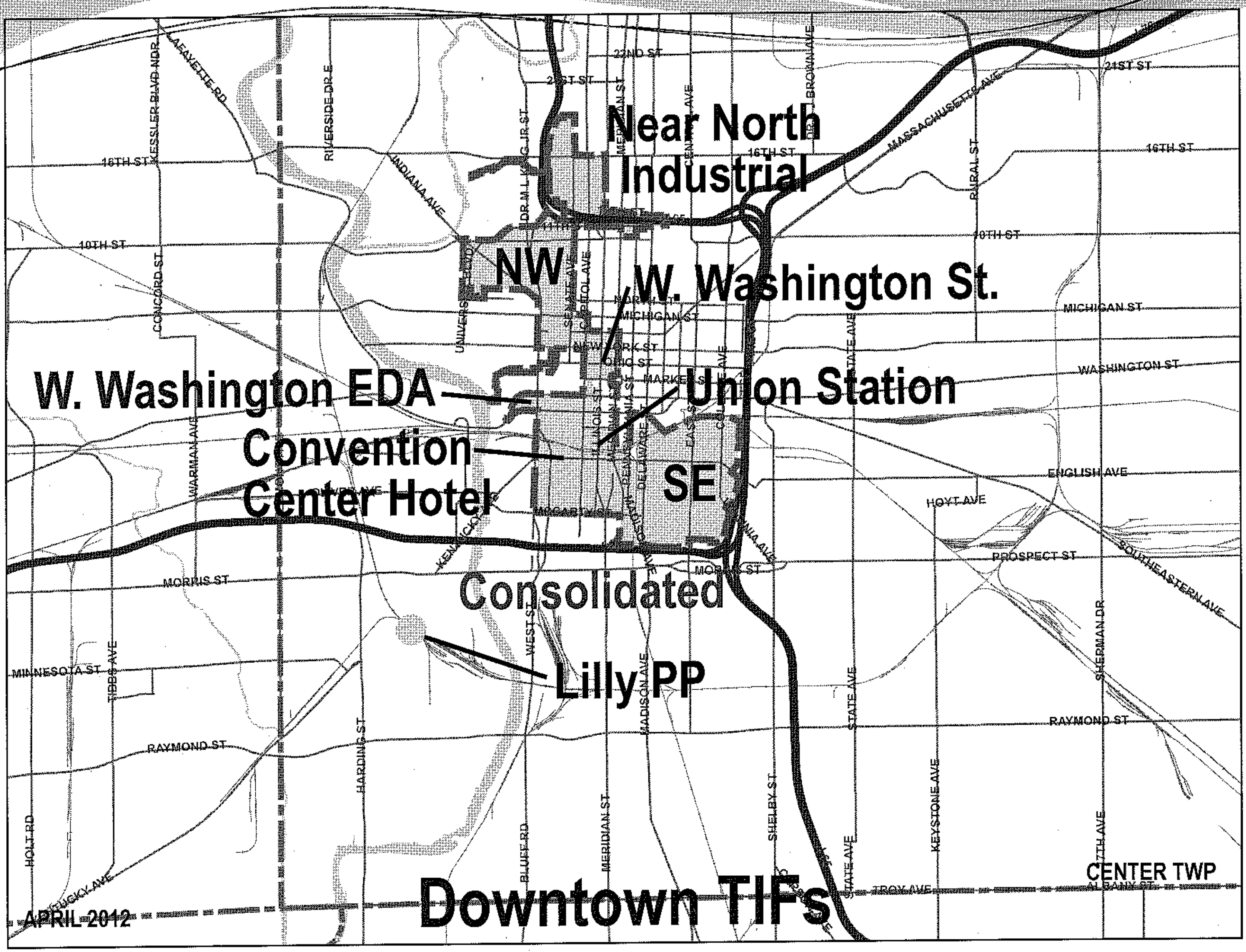


II. Consolidated/Downtown TIF District

A. Background

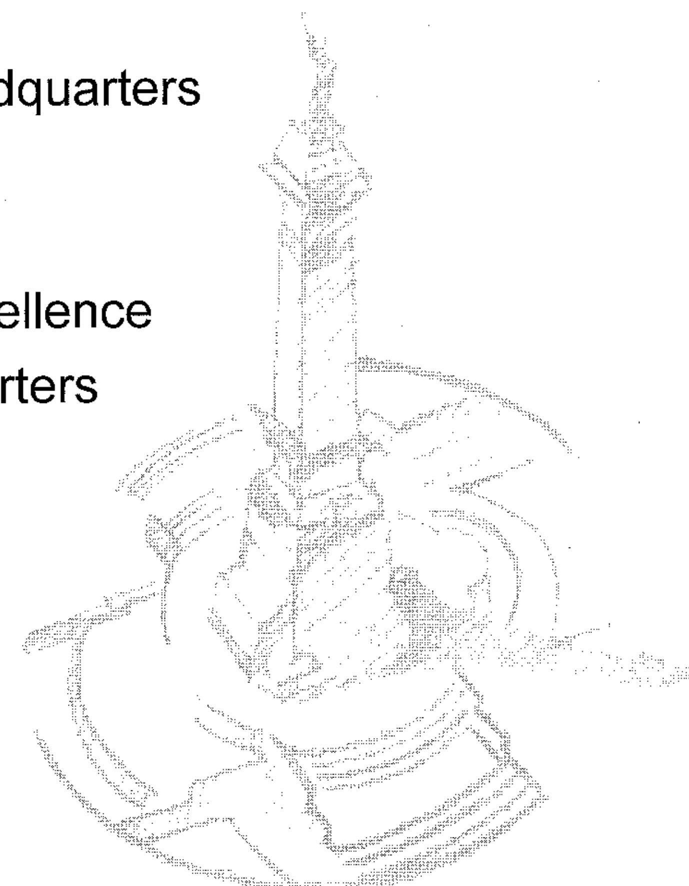
1. Created in early 1980s to finance Circle Centre Mall
2. Consolidated 7 Areas (now 8)
    - 140-West Washington Street Project
    - 142-South East Redevelopment Project
    - 143-North West Redevelopment Project
    - 144-Near North Industrial Park
    - 145-Union Station Center
    - 146-Convention Center Hotel project
    - 153-Lilly Personal Property
    - 157-West Washington Street Economic Development Area
3. Approximately $676 Million outstanding debt

TIF Debt almost $1 billion


Downtown TIFs
APRIL 2012
Near North Industrial
NW
W. Washington St.
W. Washington EDA
Union Station
Convention Center Hotel
SE
Consolidated
Lilly PP
CENTER TWP
16TH ST
10TH ST
MICHIGAN ST
WASHINGTON ST
ENGLISH AVE
HOYT AVE
PROSPECT ST
SOUTHEASTERN AVE
RAYMOND ST
MORRIS ST
MINNESOTA ST
TIBBS AVE
WARMAN AVE
CONCORD ST
KESSLER BLVD NDR
LAFAYETTE RD
RIVERSIDE DR E
INDIANA AVE
MASSACHUSETTS AVE
RURAL ST
21ST ST
22ND ST
HARDING ST
WEST ST
MERIDIAN ST
BLUFF RD
MADISON AVE
SHELBY ST
STATE AVE
KEYSTONE AVE
SHERMAN DR
7TH AVE
TROY AVE
HOLT RD

B. Resulting Major Projects (Downtown TIF)

1. Circle Centre Mall
2. Union Station
3. Simon Property Group Corporate Headquarters
4. JW Marriot
5. CityWay/North of South
6. IU Health Neuroscience Center of Excellence
7. WellPoint/Anthem Corporate Headquarters
8. City Market



C. TIF Performance History

Pay Year	Total NAV	Base AV	Increment AV	Billed Revenues	Collected Revenues[1]	Debt Service	Coverage[2]
2012*	2,593,830,000	494,349,000	2,099,481,000	63,450,000	63,450,000*	41,107,000	154%
2011	2,588,551,000	397,541,000	2,191,010,000	65,819,000	49,748,000	40,644,000	122%
2010	2,465,392,000	410,208,000	2,055,184,000	70,290,000	52,183,000	34,774,000	150%
2009	2,356,812,000	431,685,000	1,925,127,000	62,568,000	58,008,000	31,218,000	186%
2008	2,475,079,000	713,249,000	1,761,830,000	61,063,000	52,365,000	32,733,000	160%

* Amount of AV to maintain amount of funding

*Still to be collected, so we assumed collection at 100%

1. Source: Marion County Auditor Settlement Records
2. Coverage is calculated by diving collected revenues by debt service

Pay Year	Real Property	Personal Property	Total Revenues*	Debt Service	Coverage
2012	50,801,829	12,648,171	63,450,000	41,106,825	154%
2013	50,801,830	12,648,171	63,450,001	42,611,264	149%
2014	50,801,831	12,648,171	63,450,002	47,464,264	134%
2015	50,801,832	12,648,171	63,450,003	44,972,572	141%
2016	50,801,833	12,648,171	63,450,004	44,523,924	143%
2017	50,801,834	12,648,171	63,450,005	43,785,068	145%
2018	50,801,835	12,648,171	63,450,006	43,439,171	146%
2019	50,801,836	12,648,171	63,450,007	43,066,887	147%
2020	50,801,837	12,648,171	63,450,008	43,044,620	147%
2021	50,801,838	12,648,171	63,450,009	43,346,186	146%
2022	50,801,839	12,648,171	63,450,010	43,644,011	145%
2023	50,801,840	12,648,171	63,450,011	43,950,110	144%
2024	50,801,841	12,648,171	63,450,012	44,259,777	143%
2025	50,801,842	12,648,171	63,450,013	44,559,475	142%
2026	50,801,843	12,648,171	63,450,014	44,862,988	141%
2027	50,801,844	12,648,171	63,450,015	45,186,037	140%
2028	50,801,845	12,648,171	63,450,016	42,365,050	150%
2029	50,801,846	12,648,171	63,450,017	13,806,824	460%
2030	50,801,847	12,648,171	63,450,018	13,808,287	460%
2031	50,801,848	12,648,171	63,450,019	13,807,462	460%
2032	50,801,849	12,648,171	63,450,020	13,808,374	460%
2033	50,801,850	12,648,171	63,450,021	13,804,687	460%
2034	50,801,851	12,648,171	63,450,022	13,807,874	460%
2035	50,801,852	12,648,171	63,450,023	13,807,425	460%
2036	50,801,853	12,648,171	63,450,024	4,006,375	1584%
2037	50,801,854	12,648,171	63,450,025	4,005,375	1584%

*Assumes that both Real Property and Personal Property Revenues will remain at constant levels till the bonds matured

*The projections assumes that collection will be 100% of the 2012 billed taxes, notice there is a significant difference between billed and collections.

Questions?